

contains the following:

(1) FTR Amendment 57, Relocation Income Tax (RIT) Allowance Tax Tables; and

(2) FTR Amendment 58, Authority for the Administrator of General Services to Issue Regulations; Authority to Waive Limitations on Relocation Allowances when an Employee is Relocated to or from a Remote or Isolated Location; Technical Correction to Relocation Income Tax (RIT) Allowance.

TO: Heads of Federal agencies

SUBJECT: Changes to the Federal Travel Regulation; Relocation
Income Tax (RIT) Allowance Tax Tables

1. Purpose. This amendment transmits changed pages which implement the Federal, State, and Puerto Rico tax tables to be used in conjunction with part 302-11 of the 1989 edition of the Federal Travel Regulation (FTR) for calculating 1997 relocation income tax (RIT) allowance payments.
2. Effective date. The provisions of this amendment are effective for RIT allowance payments made on or after January 1, 1997.
3. Background. Section 5724b of subchapter II of chapter 57, title 5, United States Code, authorizes agencies to reimburse transferred employees for the additional income tax liability they incur as a result of certain moving expense reimbursements. Policies and procedures for the calculation and payment of a RIT allowance are contained in part 302-11 of the FTR. This amendment contains the tax tables generated by the Internal Revenue Service specifically for use in calculating 1997 RIT allowance payments.
4. Explanation of changes. This amendment revises the FTR by providing the special tax tables for calculating 1997 RIT allowance payments. The following tables are added to the appendixes to part 302-11:

Appendix A to part 302-11--Federal Tax Tables for RIT
Allowance--Federal Marginal Tax Rates by Earned Income Level and
Filing Status--Tax Year 1996

Attachment

Appendix D to part 302-11--Puerto Rico Tax Tables for RIT
Allowance--Puerto Rico Marginal Tax Rates by Earned Income
Level--Tax Year 1996

5. Filing instructions.

a. Make the following page changes:

Remove page(s):

Insert page(s):

[Note: Page Checksheet issued with FTR Amendment 58 in this printed
issue of changed pages includes FTR Amendment 57.]

CHAPTER 302

CHAPTER 302

D-3

A-11

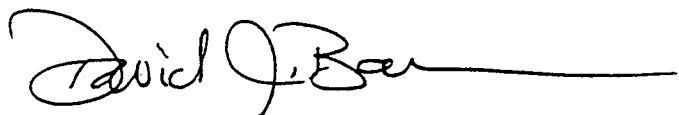
B-25

C-9

D-3

NOTE: The removed or superseded pages should be retained to
determine rates, allowances, and entitlements in effect at
specific times.

b. The attachment to FTR transmittal No. 58 lists the pages
currently in effect in the FTR after the changes transmitted by
this amendment have been inserted. This checksheet is to be used
to verify the accuracy of the FTR.



DAVID J. BARRAM

Acting Administrator of General Services

Marginal tax rate (percent)	Over	But not over	Over	But not over	qualifying widows and widowers		separately	
					Over	But not over	Over	But not over
15	\$6,885	\$31,807	\$12,295	\$45,572	\$17,027	\$59,055	\$8,229	\$ 29,600
28	31,807	70,867	45,572	105,805	59,055	123,190	29,600	61,245
31	70,867	144,170	105,805	168,990	123,190	179,414	61,245	90,611
36	144,170	292,883	168,990	301,968	179,414	295,681	90,611	150,779
39.6	292,883	.....	301,968	.....	295,681	.....	150,779	.....

Amendment 57: 2-18-97
Effective: 1-01-97

A- 11

Amendment 57: 2-18-97
Effective: 1-01-97

43. Tennessee	0	0	0	0
44. Texas	0	0	0	0
45. Utah	7	7	7	7
46. Vermont		(See footnote 5)		
47. Virginia	5	5.75	5.75	5.75
48. Washington	0	0	0	0
49. West Virginia	4	4.5	6	6.5
50. Wisconsin	6.55	6.93	6.93	6.93
51. Wyoming	0	0	0	0

¹ Earned income amounts that fall between the income brackets shown in this table (e.g., \$24,999.45, \$49,999.75) should be rounded to the nearest dollar to determine the marginal tax rate to be used in calculating the RIT allowance.

² If the earned income amount is less than the lowest income bracket shown in this table, the employing agency shall establish an appropriate marginal tax rate as provided in § 302-11.8(e)(2)(ii).

³ This rate applies only to those individuals certifying that they will file under a single status within the States where they will pay income taxes. All other taxpayers, regardless of filing status, will use the other rate shown.

⁴ The income tax rate for Rhode Island is 27.5 percent of Federal income tax liability for all employees. Rates shown as a percent of Federal income tax liability must be converted to a percent of income as provided in § 302-11.8(e)(2)(iii).

⁵ The income tax rate for Vermont is 25 percent of Federal income tax liability for all employees. Rates shown as a percent of Federal income tax liability must be converted to a percent of income as provided in § 302-11.8(e)(2)(iii).

					Over	But not over		
15	\$7,067	\$32,674	\$12,963	\$46,966	\$16,798	\$59,856	\$8,702	\$29,669
28	32,674	71,647	46,966	104,632	59,856	123,931	29,669	62,023
31	71,647	141,006	104,632	161,381	123,931	180,221	62,023	92,072
36	141,006	288,900	161,381	293,567	180,221	299,695	92,072	152,835
39.6	288,900	.....	293,567	.....	299,695	.....	152,835	.....

Amendment 57: 2-18-97
Effective: 1-01-97

C-9

15				\$25,000
25		\$25,000		
36	\$25,000		\$25,000	

Amendment 35: 2-09-94

Effective: 1-01-94

Puerto Rico Marginal Tax Rates by Earned Income Level—Tax Year 1994

The following table is to be used to determine the Puerto Rico marginal tax rate for computation of the RIT allowance as prescribed in § 302-11.8(e)(4)(i).

Marginal tax rate (percent)	Single filing status		Any other filing status	
	Over	But not over	Over	But not over
15				\$25,000
25		\$25,000		
36	\$25,000		\$25,000	

Amendment 43: 12-28-94

Effective: 1-01-95

Puerto Rico Marginal Tax Rates by Earned Income Level—Tax Year 1995

The following table is to be used to determine the Puerto Rico marginal tax rate for computation of the RIT allowance as prescribed in § 302-11.8(e)(4)(i).

Marginal tax rate (percent)	Single filing status		Any other filing status	
	Over	But not over	Over	But not over
12				\$25,000
18		\$25,000		
31			\$25,000	\$50,000
33	\$25,000		\$50,000	

Amendment 46: 1-05-96

Effective: 1-01-96

Amendment 46: 1-05-96
Effective: 1-01-96

D-3

12				\$25,000
18		\$25,000		\$50,000
31	\$25,000	\$50,000	\$25,000	\$50,000
33	\$50,000		\$50,000	

10. Heads of Federal Agencies

SUBJECT: Changes to the Federal Travel Regulation; Authority for the Administrator of General Services to Issue Regulations; Authority to Waive Limitations on Relocation Allowances when an Employee Is Relocated to or from a Remote or Isolated Location; Technical Correction to Relocation Income Tax (RIT) Allowance

1. Purpose. This amendment transmits changed pages to the 1989 edition of the Federal Travel Regulation (FTR) to reflect the direct authority conferred by statute on the Administrator of General Services to issue regulations implementing subchapter II of chapter 57 of title 5, United States Code, and to authorize agencies to waive certain statutory and regulatory limitations for an employee relocating to or from a remote or isolated location. This amendment also makes a technical correction to the RIT allowance. The amendment implements statutory changes and is intended to improve the treatment of an employee transferred to a remote or isolated location.

2. Effective dates. The provisions of this amendment are effective for employees whose effective date of transfer (date the employee reports for duty at the new official station) is on or after March 22, 1997.

3. Background.

a. On September 23, 1996, the President signed into law the Federal Employee Travel Reform Act of 1996 (Pub. L. 104-201).

b. Section 1722 of the Act transfers from the President to the Administrator of General Services authority to issue regulations implementing subchapter II of chapter 57 of title 5, United States Code, unless otherwise specified in subchapter II.

Attachment

limitation in subchapter II of chapter 57 of title 5, United States Code, or in any implementing regulation for an employee relocating to or from a remote or isolated location who otherwise would suffer hardship. This amendment implements the limitation waiver provisions of section 1722 of the Act.

e. This amendment also makes a technical correction to the RIT allowance. The withholding rate for supplemental wages was raised from 20 percent to 28 percent in 1995. This amendment modifies the withholding tax allowance (WTA) provisions to reflect the 28 percent withholding rate.

4. Explanation of changes. This amendment revises the FTR as follows:

a. Part 302-1 is revised to authorize heads of agencies or their designees to waive any limitation in subchapter II of chapter 57 of title 5, United States Code, or in any implementing regulation for an employee relocating to or from a remote or isolated location who otherwise would suffer hardship.

b. Parts 302-2, 302-7, 302-8, 302-9 are revised to reflect the transfer of authority from the President to the Administrator of General Services to issue regulations implementing subchapter II of chapter 57 of title 5, United States Code.

c. Part 302-11 is revised to reflect the transfer of authority from the President to the Administrator of General Services to issue regulations implementing subchapter II of chapter 57 of title 5, United States Code, and to reflect the increase in the supplemental wages withholding rate from 20 percent to 28 percent.

1-1	1-1
1-17	1-17 through 1-18a
2-1	2-1
3-1	3-1
7-1	7-1
8-1	8-1
9-1	9-1
11-1	11-1
11-5 through 11-8	11-5 through 11-8

NOTE: The removed or superseded pages should be retained to determine rates, allowances, and entitlements in effect at specific times.

b. The attachment to this transmittal lists the pages currently in effect in the FTR after the changes transmitted by this amendment have been inserted. This checksheet is to be used to verify the accuracy of the FTR.

A handwritten signature in black ink, reading "David J. Barram". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

DAVID J. BARRAM
Acting Administrator of General Services

<u>Page</u>	<u>Amdt.</u>	<u>Page</u>	<u>Amdt.</u>	<u>Page</u>	<u>Amdt.</u>	<u>Page</u>	<u>Amdt.</u>
INTRODUCTION		3-4f	50	Part 301-8		Part 301-14	
I	IR3	3-5	17	8-1	50	14-1	26
ii-iv	26	3-6	17	8-2	32	14-2	10
TABLE OF		3-7	10	8-3	54	14-3	10
CONTENTS		3-8		8-4	38	14-4	10
v	IR3	3-9		8-5	53		
CHAPTER 301		Part 301-4		Part 301-9		Part 301-15	
301-i	39	4-1	54	9-1	26	15-1	26
Part 301-1		4-2	54	9-2	37	15-2	12
1-1	53	4-3	42	9-3	32	15-3	9
1-2	53	4-4	42	Part 301-10		15-4	32
1-3	53	4-5	42	10-1	50	15-5	9
1-4	53	Part 301-5		10-2	50	15-6	9
1-5	53	5-1	50	10-3	50	15-7	9
1-6	53	5-2	50	10-4	50	15-8	9
1-7	53	Part 301-6		10-5	12	15-9	12
1-8	53	6-1	55	10-6	9	15-10	26
1-9	53	6-2	55	Part 301-11		15-11	12
Part 301-2		Part 301-7		11-1	53	15-12	12
2-1	26	7-1	54	11-2	54	15-13	12
2-2	9	7-2	54	11-3	54	15-14	12
2-3		7-3	54	11-4	50	Part 301-16	
2-4	32	7-4	54	11-5	54	16-1	39
2-5	32	7-5	54	Part 301-12		16-2	39
Part 301-3		7-6	54	12-1	26	16-3	39
3-1	50	7-7	54	12-2	17	Part 301-17	
3-2	32	7-8	54	12-3		17-1	53
3-3	32	7-9	54	12-4		17-2	53
3-4	32	7-10	54	Part 301-13			
3-4a	32	7-11	10	[Reserved]			
3-4b	32	7-12	10				
3-4c	32	7-13	10				
3-4d	37	7-14	10				
3-4e	32	7-15	10				

A-1	52,56	1-16	17	7-3	20	11-17	14
A-2	52,56	1-17	58			11-18	14
A-3	52,56	1-18	58	<u>Part 302-8</u>			
A-4	52,56	1-18a	58	8-1	58	<u>Part 302-11</u>	
A-5	52,56	1-19	32	8-2		<u>Appendix A</u>	
A-6	52,56	1-20	32	8-3		A-1	
A-7	52,56	1-21	32	8-4		A-2	
A-8	52,56			8-5		A-3	
A-9	52,56			8-6		A-4	
A-10	52,56			8-7		A-5	
A-11	52,56	<u>Part 302-2</u>		8-8		A-6	5
A-12	52,56	2-1	58			A-7	15
A-13	52,56	2-2	54	<u>Part 302-9</u>		A-8	24
A-14	52,56	2-3		9-1	58	A-9	43
A-15	52,56	2-4		9-2		A-10	46
A-16	52,56			9-3		A-11	57
A-17	52,56	<u>Part 302-3</u>		9-4			
		3-1	58	<u>Part 302-10</u>		<u>Part 302-11</u>	
		3-2	26	10-1	26	<u>Appendix B</u>	
		3-3	20	10-2	26	B-1	
<u>Chapter 301</u>		<u>Part 302-4</u>		10-3		B-2	
<u>Appendix B</u>		4-1	26	10-4		B-3	
B-1	10	4-2	26	10-5		B-4	
B-2	10			10-6		B-5	
B-3	10					B-6	
CHAPTER 302		<u>Part 302-5</u>		<u>Part 302-11</u>		B-7	
302-i		5-1	26	11-1	58	B-8	
		5-2	10	11-2	30	B-9	
<u>Part 302-1</u>		5-3	10	11-3	17	B-10	
1-1	58	5-4	10	11-4	17	B-11	5
1-2	37	5-5	10	11-4a	32	B-12	5
1-2a	37			11-5	32	B-13	15
1-3	17	<u>Part 302-6</u>		11-6	58	B-14	15
1-4	20	6-1	37	11-7	58	B-15	24
1-5	17	6-2	37	11-8	14	B-16	24
1-6	17	6-2a	37	11-9	14	B-17	28
1-7	20	6-2b	37	11-10	14	B-18	28
1-8	20	6-2c	37	11-11	30	B-19	35
1-9	37	6-3	2	11-12	30	B-20	35
1-10	32	6-4	2	11-13	30	B-21	43
1-10a	32	6-5	51	11-14	30	B-22	43
1-11	17	6-6	2	11-14a	30	B-23	46
1-12	17	6-7	2			B-24	46

Part 302-11

Appendix C

C-1	
C-2	
C-3	
C-4	5
C-5	15
C-6	24
C-7	43
C-8	46
C-9	57

Part 302-11

Appendix D

D-1	30
D-2	30
D-3	46
D-4	57

Part 302-12

12-1	26
12-2	26
12-3	26

CHAPTER 303

303-i

Part 303-1

1-1	26
1-2	22

Part 303-2

2-1	26
2-2	26
2-3	22

CHAPTER 304

304-i IR3

Part 304-1

1-1	IR4
1-2	IR4

302-1.2 Applicability.
302-1.3 General provisions.
302-1.4 Definitions.
302-1.5 Service agreements.
302-1.6 Time limits for beginning travel and transportation.
302-1.7 Short distance involved.
302-1.8 Two or more family members employed.

302-1.10 New appointees.
302-1.11 [Reserved]
302-1.12 Overseas assignment and return.
302-1.13 Overseas tour renewal agreement travel.
302-1.14 Use of funds.
302-1.15 Waiver of limitations for an employee relocating to or from a remote or isolated location.

Subpart B—Relocation Entitlements Upon Separation for Retirement

Sec.
302-1.100 Applicability.
302-1.101 Eligibility criteria.
302-1.102 Agency authorization or approval.
302-1.103 Allowable expenses.
302-1.104 Expenses not allowable.
302-1.105 Origin and destination.

Sec.
302-1.106 Time limits for beginning travel and transportation.
302-1.107 Use of funds.

AUTHORITY: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR 13474, 3 CFR, 1971-1975 Comp., p. 586.

Subpart A—New Appointees and Transferred Employees

§ 302-1.1 Authority.

This chapter is issued pursuant to 5 U.S.C. 5721-5734 and 20 U.S.C. 905(a).

§ 302-1.2 Applicability.

(a) **Persons covered.** Except as otherwise provided in this chapter, the following persons are covered:

(1) Civilian officers and employees upon transfer from one official station or agency to another for permanent duty.

(2) Civilian officers and employees of the United States Postal Service transferred under

39 U.S.C. 1006 from the Postal Service to an agency as defined in 5 U.S.C. 5721 for permanent duty.

(3) Civilian officers and employees assigned to posts of duty outside the continental United States in connection with overseas tour renewal agreement travel and upon return to places of residence for the purpose of separation.

(4) New appointees to any position.

(5) Student trainees assigned upon completion of college work to any position.

(6) Department of Defense overseas dependents school system teachers.

not apply to:

(1) Officers and employees transferred in accordance with the provisions of the Foreign Service Act of 1980, as amended.

(2) Officers and employees transferred in accordance with the provisions of the Central Intelligence Agency Act of 1949, as amended.

(3) Persons whose pay and allowances are prescribed under title 37, United States Code, "Pay and Allowances of the Uniformed Services."

(4) Personnel of the Veterans Administration to whom the provisions of 38 U.S.C. 235 apply.

§ 302-1.3 General provisions.

(a) **Travel covered**—(1) *Mandatory coverage.* When change of official station or other action described in this paragraph is authorized or approved by such official or officials as the head of the agency may designate, travel and transportation expenses and applicable allowances as provided in this chapter (see applicability and exclusions in pertinent parts) shall be paid in the case of:

(i) An employee transferring from one official duty station to another for permanent duty, provided the transfer is in the interest of the Government and is not primarily for the convenience or benefit of the employee or at his/her request; the transfer is to a new official station which is at least 10 miles distant from the old official station; and, in the case of a relatively short distance relocation, a determination of eligibility is made under § 302-1.7(a) of this part;

(ii) Eligible employees outside the continental United States traveling in connection

(iv) Eligible individuals, as defined in § 302-1.101 of this chapter, qualifying for "last move home" benefits upon separation from Government service as provided in subpart B of this part.

(2) *Discretionary coverage.* The head of an agency, or his/her designated official, may authorize the payment of travel and transportation expenses and applicable allowances in the case of new appointees, as defined in § 302-1.4(d) of this part, relocating from their place of actual residence at the time of appointment (or at the time following the most recent Presidential election, but before selection or appointment, in the case of individuals who have performed transition activities under section 3 of the Presidential Transition Act of 1963 (3 U.S.C. 102 note) and who are appointed in the same fiscal year as the Presidential inauguration that immediately follows their transition activities) for permanent duty to official stations.

(b) **Reasonable advance notice of reassignment or transfer.** As provided in 5 U.S.C. 5724(j), "the reassignment or transfer of any employee, for permanent duty, from one official station or agency to another which is outside the employee's commuting area shall take effect only after the employee has been given advance notice for a reasonable period. Emergency circumstances shall be taken into account in determining whether the period of advance notice is reasonable." Agencies shall give as much advance notice as possible to enable the employee to begin the arrangements necessary when relocating family and residence. However, see § 302-1.7 governing payment of travel and transportation expenses and applicable allowances when short distances are involved. A

ceeds the costs for which the employee is responsible, the Government will procure and pay for such transportation in full. If the amount of excess setoff is less than the costs for which the employee is responsible, the Government may procure and pay for the transportation and obtain reimbursement from the employee for the difference between the total costs and the amount of the excess setoff to be applied against the costs, or allow the employee to pay the total costs and reimburse him/her for the applicable amounts upon submission of an appropriate voucher.

(2) *Failure to complete agreed period after initial year.* (i) If the employee completes 1 year or more of service under a new agreement, but does not complete the entire period of service specified in the agreement, he/she is not indebted to the Government for amounts spent by the Government for transportation and per diem for the employee and for transportation of his/her immediate family incident to tour renewal agreement travel from the post of duty at which he/she completed the previous tour of duty to his/her place of actual residence and from the place of actual residence to the post of duty at which he/she failed to complete the agreed upon tour of duty. Furthermore, if the post of duty where the employee failed to complete his/her agreement is not the same as the place where he/she did complete his/her previous assignment, he/she is not indebted for the costs of transporting any members of the immediate family who traveled from the former to the latter post of duty without going to the actual place of residence, nor for the costs of transporting his/her household goods between these two posts of duty, including any related costs of packing, crating, drayage, un-

immediate family and household goods from the post of duty at which he/she did not complete the agreed upon tour of duty under the new agreement to the place of actual residence.

(iii) For the reasons described in paragraph (d)(1)(iii) of this section, however, the employee shall be allowed credit for an amount equal to the costs of transporting, from the post of duty at which the former period of service was completed to the place of actual residence, the household goods and any members of the immediate family who did not accompany him/her when he/she returned to the place of actual residence incident to renewal agreement travel toward the costs (see paragraph (d)(2)(ii) of this section) of return to the place of actual residence.

(iv) The credit amount allowable and the costs involved shall be computed in the same manner as provided in paragraph (d)(1)(iv) of this section.

§ 302-1.14 Use of funds.

(a) *Advance of funds*—(1) *Basis.* An employee may be advanced funds for use while traveling and for certain expenses which he/she may incur incident to a transfer based on his/her prospective entitlement to reimbursement for those expenses after they are incurred.

(2) *Rules.* Advances and collection of advances by deduction from the employee's voucher are subject to chapter 301 of this title.

(3) *Anticipated entitlements which may justify an advance.* The expected entitlement of an employee to reimbursement for the following expenses will form the basis for payment of a travel advance. Specific authority with regard to each type of expense is contained

(iii) Subsistence while occupying temporary quarters as set forth in § 302-5.5;

(iv) Transportation and temporary storage of household goods as set forth in § 302-8.6;

(v) Transportation of mobile homes as set forth in § 302-7.5; and

(vi) Transportation and storage of employee's automobile as set forth in § 302-10.6.

(b) **Funding of transfers between agencies.** In the case of transfer from one agency to another, allowable expenses shall be paid from the funds of the agency to which the employee is transferred. However, in transfers between agencies for reasons of reduction-in-force or transfer of functions, expenses allowable under this chapter may be paid in whole or in part by the agency from which the employee is transferred or by the agency to which he/she is transferred as may be agreed upon by the heads of the agencies concerned except as ex-

the Republic of Panama made available to the United States under the Panama Canal Treaty of 1977 and related agreements (as described in section 3(a) of the Panama Canal Act of 1979)).

§ 302-1.15 Waiver of limitations for an employee relocating to or from a remote or isolated location.

The head of an agency or his/her designee may waive any limitation contained in subchapter II of chapter 57 of title 5, United States Code, or in any regulation (including this chapter) implementing those statutory provisions, for any employee relocating to or from a remote or isolated location when the following conditions are met:

(a) The limitation if not waived would cause the employee to suffer a hardship; and

(b) The head of the agency or his/her designee certifies in writing that the limitation is waived and the reason(s) for the waiver.

Subpart B—Relocation Entitlements upon Separation for Retirement

§ 302-1.100 Applicability.

(a) **Individuals covered—**(1) *Career appointees to the Senior Executive Service (SES).* The provisions of this subpart are applicable to career appointees in SES positions. For purposes of this subpart, the definitions in paragraphs (a)(1) (i) and (ii) of this section apply.

(i) *Career appointee* as defined in 5 U.S.C. 3132(a)(4) means an individual in an SES position whose appointment to the position or previous appointment to another SES position was based on approval by the Office of Personnel

Management of the executive qualifications of such individual.

(ii) *Senior Executive Service (SES) position* as defined in 5 U.S.C. 3132(a)(2) means:

(A) Any position in an agency which is classified above GS-15 of the General Schedule pursuant to 5 U.S.C. 5108 or is in Level IV or V of the Executive Schedule; or

(B) An equivalent position which is not required to be filled by an appointment by the President by and with the advice and consent of the Senate, and is a position which includes

Amendment 58: 2-18-97
Effective: 3-22-97

1-18a

302-2.3 For use of a privately owned automobile in connection with permanent change of station.

302-2.4 Advance of funds.

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR 13474, 3 CFR, 1971-1975 Comp., p. 586.

§ 302-2.1 For the employee.

(a) **Applicability.** This part applies to travel of

(1) Transferred employees,

(2) New appointees, and

(3) Employees assigned to posts of duty outside the continental United States in connection with either overseas tour renewal agreement travel or return travel to places of residence for the purpose of separation.

(b) **Payment for employee's travel expenses.** Except as specifically provided in this chapter, an agency shall pay per diem, transportation costs, and other travel expenses of the employee in accordance with the provisions of 5 U.S.C. 5701-5709 and chapter 301 of this title. The prohibition in § 301-7.5(b) of this title on paying per diem for travel of 12 hours or less applies to change of official station travel.

(c) **Maximum per diem rates for relocation travel—**(1) *Travel when en route between employee's old and new official stations.* The maximum per diem rate for en route travel within CONUS between the employee's old and new official stations shall be the standard CONUS rate prescribed under § 301-7.3 of this title.

(2) *Travel to seek residence quarters.* The maximum per diem rate for travel to seek residence quarters shall be the lesser of the maximum per diem rate prescribed under § 301-

and CONUS rate as the maximum per diem rate if it determines that establishment of such lower rate is advantageous to the Government.

§ 302-2.2 For members of an employee's immediate family.

(a) **Transportation.** Except as specifically provided in this chapter, allowable travel expenses for the employee's immediate family, including transportation, are governed by chapter 301 of this title. Travel of the immediate family may begin at the employee's old official station or some other point, or partially at both, and may end at the new official station or some other place selected by the employee, or partially at both. However, the cost to the Government for transportation of the immediate family shall not exceed the allowable cost by the usually traveled route between the employee's old and new official stations.

(b) **Per diem allowance when en route between employee's old and new official stations.** When an employee is transferred, an allowance shall be paid for per diem expenses incurred by the employee's immediate family while traveling between the old and new official stations regardless of where the old and new stations are located. If the actual travel involves departure and/or destination points other than the old or new official station, the per diem allowance shall not exceed the amount to which members of the immediate family would have been entitled if they had traveled by a usually traveled route between the old and new official stations. The prohibition in § 301-7.5(b) of this title on paying per diem for travel of 12 hours or less applies to change of official station travel. The maximum allowable per diem rates are as follows:

employee receives a per diem rate of less than \$6 and, in that instance, the spouse will receive the same rate as the employee.

(ii) *When not accompanying the employee.* When the spouse is not accompanying the employee while he/she is traveling under § 302-2.1, the spouse is authorized the per diem rate to which the employee is entitled under § 302-2.1. In such instance the travel time of the employee and the amount of per diem allowance paid him/her are not factors in computing the amount of per diem allowance for travel of the spouse. (When more than one privately owned automobile is used, the spouse shall be considered to have been accompanied by the employee if travel is performed on the same days along the same general route.)

(2) *For each other member of the employee's immediate family.* Three-fourths of the per diem rate to which the employee is entitled is authorized for each other member age 12 or older, and one-half of the per diem rate to which the employee is entitled is authorized for each child under 12 years of age. However, under this provision the minimum per diem rate shall be \$6 unless the employee received a per diem rate of less than \$6 and, in that instance, the member shall receive the same rate as the employee.

(c) **Exclusions.** The provisions of paragraph (b) of this section do not authorize payment of per diem allowances for members of the immediate families of:

(1) New appointees;

(2) Employees assigned to posts of duty outside the continental United States in connection with overseas tour renewal agreement travel;

manent change of station.

(a) **Determination of advantage to the Government.** When an employee, with or without an immediate family, who is eligible for travel allowances under part 302-1, uses a privately owned automobile for permanent change of station travel, that use is deemed to be advantageous to the Government. The provisions in § 302-2.3 also apply to new appointees and employees returning from posts of duty outside the continental United States to places of actual residence for separation. The provisions do not apply to employees assigned to posts of duty outside the continental United States in connection with overseas tour renewal agreement travel. (See § 302-1.13.)

(b) **Mileage rates prescribed.** Payment of mileage allowances, when authorized or approved in connection with the transfer, shall be allowed as follows:

Occupants of automobile	Mileage rate (cents)
Employee only; or one member of immediate family	15
Employee and one member; or two members of immediate family	17
Employee and two members; or three members of immediate family	19
Employee and three or more members; or four or more members of immediate family	20

(c) **Mileage rates in special circumstances.** Heads of agencies may prescribe that travel orders or other administrative determinations specify higher mileage rates at a rate not more than the maximum rate prescribed in § 301-4.2(a)(1) of this title for individual transfers of employees or transfers of groups of employees when:

§ 302-3.1 Applicability.

(a) **Purpose for allowance.** The miscellaneous expenses allowance authorized by §§ 302-3.2 and 302-3.3 is for defraying various contingent costs associated with discontinuing residence at one location and establishing residence at a new location in connection with an authorized or approved permanent change of station.

(b) **Types of costs covered.** The allowance is related to expenses that are common to living quarters, furnishings, household appliances, and to other general types of costs inherent in relocation of a place of residence (see part 302-7 for specific costs normally associated with relocation of a mobile home dwelling that are covered under transportation expenses). The costs intended to be reimbursed under the miscellaneous expenses allowance include, but are not limited to, the following:

- (1) Fees for disconnecting and connecting appliances, equipment, and utilities involved in relocation and costs of converting appliances for operation on available utilities;
- (2) Fees for cutting and fitting rugs, draperies, and curtains moved from one residence quarters to another;
- (3) Utility fees or deposits that are not offset by eventual refunds;
- (4) Forfeiture losses on medical, dental, and food locker contracts that are not transferable;

license, and use taxes imposed when bringing automobiles into certain jurisdictions.

(c) **Types of costs not covered.** This allowance shall not be used to reimburse the employee for costs or expenses incurred which exceed maximums provided by statute or in this subtitle; costs or expenses that the employee incurred but which are disallowed elsewhere in this subtitle; costs reimbursed under other provisions of law or regulations; costs or expenses incurred for reasons of personal taste or preference and not required because of the move; losses covered by insurance; fines or other penalties imposed upon the employee or members of his/her immediate family; judgments, court costs, and similar expenses growing out of civil actions; or any other expenses brought about by circumstances, factors, or actions in which the move to a new duty station was not the proximate cause. Examples of costs which are not reimbursable from this allowance are as follows:

- (1) Losses in selling or buying real and personal property and cost items related to such transactions;
- (2) Costs which are reimbursed under other provisions of this subtitle or under any other regulations or under provisions of any statute;
- (3) Cost of additional insurance on household goods while in transit to the new official station or cost of loss or damage to such property;
- (4) Additional costs of moving household goods caused by exceeding the maximum

(6) Higher income, real estate, sales, or other taxes as the result of establishing residence in the new locality;

(7) Fines imposed for traffic infractions while en route to the new official station locality;

(8) Accident insurance premiums or liability costs incurred in connection with travel to the new official station locality, or any other liability imposed upon the employee for uninsured damages caused by accidents for which he/she or a member of his/her immediate family is held responsible;

(9) Losses as the result of the sale or disposal of items of personal property not considered convenient or practicable to move;

(10) Damage or loss of clothing, luggage, or other personal effects while traveling to the new official station locality;

(11) Subsistence, transportation, or mileage expenses in excess of the amounts reimbursed as per diem or other allowances under this regulation;

(12) Medical expenses due to illness or injuries of the employee or members of the immediate family while en route to the new official station or while living in temporary quarters at Government expense under the provisions of part 302-5; or

(13) Costs incurred in connection with structural alterations; remodeling or modernizing of living quarters, garages or other buildings to accommodate privately owned automobiles, appliances or equipment; or the cost of replacing or repairing worn-out or defective appliances, or equipment shipped to the new location.

where the old or new official station is located, provided the applicable eligibility conditions in part 302-1 are met and the agreement required in § 302-1.5 is signed.

(b) **Exclusions.** The provisions of this part do not apply for new appointees, employees assigned under the Government Employees Training Act (see 5 U.S.C. 4109), or employees returning from overseas assignments for the purpose of separation.

§ 302-3.3 Allowable amount.

Employees eligible for a miscellaneous expense allowance shall be paid an amount under paragraph (a) of this section or reimbursed an amount under paragraph (b) of this section, but not both, as follows:

(a) Allowances in the following amounts will be paid without support or other documentation of expenses:

(1) \$350 or the equivalent of 1 week's basic pay, whichever is the lesser amount, for an employee without immediate family; and

(2) \$700 or the equivalent of 2 weeks' basic pay, whichever is the lesser amount, for an employee with immediate family.

(b) Allowances in excess of those provided in paragraph (a) of this section may be authorized or approved, if supported by acceptable statements of fact and either paid bills or other acceptable evidence justifying the amounts claimed, provided the aggregate amount does not exceed the employee's basic pay (at the time the employee reported for duty) for 1 week if the employee is without an immediate family, or for 2 weeks if the employee has an immediate family. In no instance will the amount

§ 302-7.1 Eligibility and limitations.

(a) **Eligibility.** An employee who is entitled to transportation of his/her household goods under part 302-8 shall, instead of such transportation, be entitled to an allowance, as provided in this part, for the transportation of a mobile home for use as a residence. To be eligible for the allowance, the employee shall certify in a manner prescribed by the head of the employing agency that the mobile home is for use as a residence for the employee and/or his/her immediate family at the destination. If an employee is not eligible to receive an allowance for movement of his/her mobile home, he/she may be eligible to receive an allowance based on the transportation of his/her household goods under part 302-8.

(b) **Geographic limitations—(1) Overland transportation.** Allowances for transportation of mobile homes overland may be made only for transportation of such homes within the continental United States (CONUS), within Alaska, and through Canada en route between Alaska and CONUS. Allowances for transportation within the limits prescribed may be paid even though the transportation involved originates, terminates, or passes through locations not covered, provided the amount of the allowance shall be computed on the basis of that part of the transportation which is within CONUS, within Alaska, or through Canada en route between Alaska and CONUS.

(2) **Over-water transportation.** Allowances for transportation of mobile homes over-water

Allowances for transporting mobile homes (including mileage when towed by employee) are in addition to payment of per diem, mileage, and transportation expenses for employees and their immediate families. However, the fact that a mobile home may be moved at Government expense only if the employee certifies that it is to be used as a residence at the destination should be considered in determining allowances to be paid under parts 302-4, 302-5, and 302-6.

§ 302-7.2 Computation of distances.

(a) **Standard highway mileage.** Where points of origin and destination are within the continental United States and Alaska, the allowable distance between these points shall be that shown in the standard highway mileage guides or actual miles driven as determined from odometer readings. (Actual odometer readings need not be shown on the travel voucher.) Any substantial deviation from distances shown in the standard highway mileage guides shall be explained.

(b) **Islands involved.** In addition to mileage, if the point of origin or destination is an island within the boundaries of one of the continental United States or Alaska and a ferry is used in transportation of a mobile home, the statute mileage between the island and the usual place of arrival or departure on the mainland shall be allowed, except that when such mileage is included in the standard highway mileage guides the mileage shown therein shall be used.

(c) **Unauthorized transportation involved.** Where point of origin or destination, or

States. In such instances, the mileage shall be computed as provided in paragraph (a) of this section.

§ 302-7.3 Computation of allowances.

(a) **Transportation by commercial carrier.** When a mobile home is transported by commercial carrier, an allowance for transportation costs shall include the following (see paragraph (d) of this section for preparation fees also allowable as transportation costs):

(1) The carrier's charges for actual transportation of the mobile home in an amount not exceeding the applicable tariff as approved by the Interstate Commerce Commission (or appropriate State regulatory body for intrastate movements) for transportation of a mobile home of the size and type involved for the distance involved, provided any substantial deviation from mileage shown in the standard highway mileage guides is explained;

(2) Ferry fares and bridge, road, and tunnel tolls;

(3) Taxes, charges or fees fixed by a State or other government authority for permits to transport mobile homes in or through its jurisdiction;

(4) Carrier's service charges for obtaining necessary permits; and

(5) Charges for a pilot (flag) car or escort services, when such services are required by State or local law.

(b) **Transportation by private means—(1) Overland transportation.** When a mobile home is transported overland by means other than a commercial carrier, such as when it is towed by a privately owned conveyance, an allowance of 11 cents per mile

for transportation of the mobile home under this part. However, in addition to the 11-cent allowance and the allowance under paragraph (d) of this section, an agency may pay the mileage allowance for use of a privately owned conveyance as provided in § 302-2.3.

(2) **Transportation over-water.** When a boat used as a primary residence is transported over-water, an allowance for transportation costs shall include, but not be limited to:

(i) The cost of fuel and oil used for propulsion of the boat;

(ii) The cost of pilots or navigators in the open water;

(iii) The cost of a crew;

(iv) Charges for harbor pilots;

(v) The cost of docking fees incurred in transit;

(vi) Harbor or port fees and similar charges related to entry in and navigation through ports; and

(vii) The cost of towing, whether in tow or towing by pushing from behind.

(c) **Mixed method of transportation.** When a mobile home is transported partly by commercial carrier and partly by private means, the allowances described in paragraphs (a) and (b) of this section apply to the respective portions of the transportation.

(d) **Other allowable transportation costs.** In addition to the allowances provided for in paragraphs (a) through (c) of this section, an allowance for transportation shall include costs generally associated with preparing a mobile home at a point of origin inside Alaska or CONUS for movement and resettling the mobile home at the destination

302-8.3 Transportation within the continental United States.

302-8.4 Transportation outside the continental United States.

302-8.5 Temporary storage.

302-8.6 Advance of funds.

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR 13474, 3 CFR, 1971-1975 Comp., p. 586.

§ 302-8.1 Applicability.

Employees covered by this subtitle who have complied with the general requirements as contained in part 302-1 are eligible for transportation and temporary storage of their household goods subject to the provisions of this part when they are transferred, regardless of whether the official stations involved are within or outside the continental United States, are appointed to positions in which Government transportation to the first official station is allowable, or are separated after completion of a period of service overseas.

§ 302-8.2 General limitations.

(a) **Maximum weight allowance.** The maximum weight of household goods that may be transported or stored at Government expense is limited to 18,000 pounds net weight for all employees. The total weight of household goods stored under § 302-9.2 plus the weight of household goods transported under this part shall not exceed the maximum weight allowance prescribed in this paragraph.

(b) **Professional books, papers, and equipment.**

(1) For purposes of this part, the term "professional books, papers, and equipment" in-

of official duties. The term does not include sports equipment or office, household, or shop fixtures and furniture; e.g., bookcases, file cabinets, desks, and racks of any kind even though used in connection with the professional books, papers, and equipment.

(2) There is no statutory authority to transport personally owned professional books, papers, and equipment in addition to the maximum weight allowance (§ 302-8.2(a)) established by law for transportation of an employee's household goods and personal effects. However, there may be instances in which the weight of the professional books, papers, and equipment would cause an employee's household goods shipment to be in excess of the maximum weight allowance. In such instances, the personally owned professional books, papers, and equipment may be transported to the new permanent duty station as an administrative expense of an agency (not chargeable to travel and transportation appropriations). Shipment of these items as an administrative expense would be instead of shipment as an allowance of the employee.

(3) Authority to transport professional books, papers, and equipment as an administrative expense shall be subject to agency policy and discretion within the following guidelines:

(i) The employee shall furnish an itemized inventory of professional books, papers, and equipment for review by an

the employee's maximum weight allowance.

(ii) The authorizing official at the new permanent duty station shall review and certify that the professional books, papers, and equipment as itemized are necessary in the proper performance of the employee's duties at the new duty station and that if these items were not transported to the new duty station, the same or similar items would have to be obtained at Government expense for the employee's use at the new duty station.

(iii) When professional books, papers, and equipment are certified as provided in paragraph (b)(3)(ii) of this section and shipped for the employee as an administrative expense of an agency, shipment shall be by the actual expense method; the commuted rate method shall not be used. When shipped in the same lot with the employee's household goods and other personal effects under the actual expense method, the professional books, papers, and equipment shall be packed and weighed separately; the weight thereof and the administrative appropriation chargeable shall be stated as separate items on the Government bill of lading. In unusual instances in which it is impractical or impossible to obtain separate weights, a constructive weight of 7 pounds per cubic foot may be used.

(c) Determining the net weight.

(1) *Uncrated shipments.* When household goods are shipped uncrated as in a household mover's van or similar conveyance, the net weight shall be that shown on the bill of lading or on the weight certificate attached

shipment is involved (see § 302-8.3(a)(3)), the ICC regulations shall apply for determining the net weight. When an employee's claim is based on constructive weight as authorized in paragraph (c)(4) of this section, the net weight shall be the weight as determined under that provision.

(2) *Crated shipments.* When property is transported crated, the net weight shall not include the weight of the crating material. The net weight shall be computed as being 60 percent of the gross weight. However, if the net weight computed in this manner exceeds the applicable weight limitation and if it is determined that, for reasons beyond the employee's control, unusually heavy crating and packing materials were necessarily used, the net weight may be computed at less than 60 percent of the gross weight.

(3) *Containerized shipments.* When special containers designed normally for repeated use, such as lift vans, CONEX transporters, and household-goods shipping boxes are used and the known tare weight does not include the weight of interior bracing and padding materials but only the weight of the container, the net weight of the household goods shall be 85 percent of the gross weight less the weight of the container. If the known tare weight includes interior bracing and padding materials so that the net weight is the same as it would be for uncrated shipments in interstate commerce, the net weight shall not be subject to the reduction. If the gross weight of the container cannot be obtained, the net weight of the household goods shall be determined from the cubic measurement on the basis of 7 pounds per cubic foot of properly loaded container space.

302-9.2 Nontemporary storage during assignment outside the continental United States.
302-9.3 Storage during school recess for Department of Defense overseas teachers.
302-9.4 Advance of funds.

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR 13474, 3 CFR, 1971-1975 Comp., p. 586.

§ 302-9.1 Nontemporary storage during assignment to isolated locations in the continental United States.

(a) **Policy.** Nontemporary storage of household goods belonging to an employee transferred or a new appointee assigned to an official station at an isolated location in the continental United States shall be allowed only when it is clearly justified under the conditions in this part and is not primarily for the convenience or at the request of the employee or the new appointee.

(b) **Isolated official stations—criteria.** Under this section, an official station at an isolated location is a place of permanent duty assignment in the continental United States at which an employee has no alternative except to live where he/she is unable to use his/her household goods because:

(1) The type of quarters he/she is required to occupy at the isolated permanent duty station will not accommodate his/her household goods; or

(2) Residence quarters which would accommodate his/her household goods are not available within reasonable daily commuting distance of the official station. However, the designation of an official station as isolated in accordance with paragraph (c) of this section

muting distance and the size and other characteristics of each employee's immediate family. In such instances, the station shall not be considered isolated with regard to those employees for whom adequate family housing is determined to be available.

(c) **Isolated official stations—designation.** Heads of agencies concerned are responsible for designating the isolated official stations at which conditions exist for allowing nontemporary storage of household goods at Government expense for some or all employees.

(d) **Eligibility.** Eligibility for nontemporary storage of household goods and personal effects applies to an employee stationed at an isolated official station, which meets the criteria in paragraph (b) of this section, who performed permanent change of station travel or travel as a new appointee.

(e) **Authorization.** The authorization for nontemporary storage should be contained in the travel order or other document authorizing transfer or appointment at an isolated official station. However, storage may be approved subsequently if the employee or new appointee is otherwise eligible.

(f) **Allowable storage.**

(1) *Place of storage.* Under regulations prescribed by the head of the agency concerned, the property may be stored either in available Government-owned storage space or in suitable commercial or privately owned space obtained by the Government if Government-owned space is not available or if commercial or privately owned space is more economical or suitable because of

necessary charges directly relating to the storage.

(3) *Partial storage.* An eligible employee or new appointee may be authorized to have a portion of his/her household goods transported to the isolated official station and to have the remainder stored at Government expense. However, the weight of the goods stored plus the weight of the goods transported shall not exceed the maximum applicable weight allowance for which the employee is eligible.

(4) *Changes in type of storage.* Authority may be granted for the conversion of household goods from temporary to nontemporary storage and from storage at personal expense to nontemporary storage at Government expense.

(g) **Time limitations.** Nontemporary storage shall be authorized for periods of time not exceeding 1 year and extended as necessary in accordance with the length of an employee's assignment at an isolated official station. Appropriate periodic review shall be made to determine whether current conditions at the isolated locality with regard to availability of housing warrant continuation of the authority for nontemporary storage. Eligibility for nontemporary storage at Government expense shall terminate on the employee's last day of active duty at the isolated official station. When an employee ceases to be eligible, nontemporary storage at Government expense may continue until the beginning of the second month after the month in which his eligibility terminates. However, the period of nontemporary storage shall not exceed 3 years.

official station other than one located in the continental United States or an employee or new appointee transferred or appointed to such a station may be allowed nontemporary storage of his/her household goods while so assigned if:

(1) The official station is one to which he/she is not authorized to take, or at which he/she is unable to use, the household goods; or

(2) The storage is authorized in the public interest; or

(3) The estimated cost of storage would be less than the cost of round-trip transportation (including temporary storage) of the household goods to the new official station.

(b) **Authorization.** Normally, the authorization for nontemporary storage shall be contained in the travel order or other document authorizing the employee's change of station or authorizing a new appointee to report to his/her official station. However, storage may be approved subsequently if the employee or new appointee would otherwise be eligible.

(c) **Allowable storage.**

(1) *Place of storage.* The property may be stored either in available Government-owned storage space or in suitable commercial or privately owned space if Government-owned space is not available or if commercial or privately owned space obtained by the Government is more economical or suitable because of location, difference of transportation costs, or other reasons.

- 302-11.4 Exclusions from coverage.
- 302-11.5 Definitions and discussion of terms.
- 302-11.6 Procedures in general.
- 302-11.7 Procedures for determining the WTA in Year 1.
- 302-11.8 Rules and procedures for determining the RIT allowance in Year 2.
- 302-11.9 Responsibilities.
- 302-11.10 Claims for payment and supporting documentation and verification.
- 302-11.11 Violation of service agreement.
- 302-11.12 Advance of funds.
- 302-11.13 Source references.
- Appendix A to Part 302-11—Federal Tax Tables for RIT Allowance
- Appendix B to Part 302-11—State Tax Tables for RIT Allowance
- Appendix C to Part 302-11—Federal Tax Tables for RIT Allowance—Year 2
- Appendix D to Part 302-11—Puerto Rico Tax Tables for RIT Allowance

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR 13474, 3 CFR, 1971-1975 Comp., p. 586.

§302-11.1 Authority.

Payment of a relocation income tax (RIT) allowance is authorized to reimburse eligible transferred employees for substantially all of the additional Federal, State, and local income taxes incurred by the employee, or by the employee and spouse if a joint tax return is filed, as a result of certain travel and transportation expenses and relocation allowances which are furnished in kind, or for which reimbursement or an allowance is provided by the Government. Payment of the RIT allowance also is authorized for income taxes paid to the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the U.S. possessions in accordance with a decision of

(a) **Eligible employees.** Payment of a RIT allowance is authorized for employees transferred on or after November 14, 1983, in the interest of the Government from one official station to another for permanent duty. The effective date of an employee's transfer is the date the employee reports for duty at the new official station as provided in § 302-1.4(l).

(b) **Individuals not covered.** The provisions of this part are not applicable to the following individuals or employees:

- (1) New appointees;
- (2) Employees assigned under the Government Employees Training Act (see 5 U.S.C. 4109); or
- (3) Employees returning from overseas assignments for the purpose of separation.

§302-11.3 Types of moving expenses or allowances covered and general limitations.

The RIT allowance is limited by law as to the types of moving expenses that can be covered. The law authorizes reimbursement of additional income taxes resulting from certain moving expenses furnished in kind or for which reimbursement or an allowance is provided to the transferred employee by the Government. However, such moving expenses are covered by the RIT allowance only to the extent that they are actually paid or incurred, and are not allowable as a moving expense deduction for tax purposes. The types of expenses or allowances listed in paragraphs (a) through (i) of this section, are covered by the RIT allowance within the limitations discussed.

tation (including temporary storage) expenses for movement of household goods from the old official station to the new official station. (See part 302-8.)

(c) **Nontemporary storage expenses.** Allowable expenses for nontemporary storage of household goods belonging to an employee transferred on or after November 14, 1983, through October 11, 1984, to an isolated location in the continental United States. (See § 302-9.1.) Nontemporary storage expenses are not covered by the RIT allowance for transfers on or after October 12, 1984. (See § 302-11.4(c).)

(d) **Mobile home movement.** Expenses for the movement of a mobile home for use as a residence when movement is authorized instead of shipment and temporary storage of household goods. (See part 302-7.)

(e) **Househunting trip.** Travel (including per diem) and transportation expenses of the employee and spouse for one round trip to the new official station to seek permanent residence quarters. (See part 302-4.)

(f) **Temporary quarters.** Subsistence expenses of the employee and immediate family during occupancy of temporary quarters. (See part 302-5.)

(g) **Real estate expenses.** Allowable expenses for the sale of the residence (or expenses of settlement of an unexpired lease) at the old official station and for purchase of a home at the new official station for which reimbursement is received by the employee. (See part 302-6.)

(h) **Miscellaneous expense allowance.** A miscellaneous expense allowance for the purpose of defraying certain expenses associated with discontinuing a residence at one

transferred employee (see part 302-12), subject to the conditions stated in this paragraph and within the general limitations of this section applicable to other covered expenses.

(1) *For employees transferred on or after November 14, 1983, through October 11, 1984.* The amount of a broker's fee or real estate commission, or other real estate sales transaction expenses which normally are reimbursable to the employee under § 302-6.2 but have been paid by a relocation service company incident to an assigned sale from the employee, provided that such payments constitute income to the employee. For the purposes of this regulation, an assigned sale occurs when an employee obtains a binding agreement for the sale of his/her residence and assigns the inherent rights and obligations of that agreement to a relocation company that is providing services under contract with the employing agency. For example, if the employee incurs an obligation to pay a specified broker's fee or real estate commission under the terms of the sales agreement, this obligation along with the sales agreement is assigned to the relocation company and may, upon payment of the obligation by the relocation company, constitute income to the employee. (See § 302-12.7 entitled "Income tax consequences of using relocation companies.")

(2) *For employees transferred on or after October 12, 1984.* Expenses paid by a relocation company providing relocation services to the transferred employee pursuant to a contract with the employing agency to the extent such payments constitute income to the employee. (See § 302-12.7.)

Note: See reference shown in parentheses for reimbursement provisions for each allowance listed in

(k) **Gross-up.** Payment for the estimated additional income tax liability incurred by an employee as a result of reimbursements or payments by the Government for the covered moving expenses listed in § 302-11.3.

(l) **Gross-up formulas.** The formulas used to determine the amount of the gross-up for the WTA and the RIT allowance. The gross-up formulas used herein compensate the employee for the initial tax, the tax on tax, etc. Note that the WTA gross-up formula in § 302-11.7(d) is different than the RIT gross-up formula prescribed in § 302-11.8(f).

(m) **RIT allowance.** The amount of payment computed and paid in Year 2 to cover substantially all of the estimated additional tax liability incurred as a result of the covered moving expense reimbursements received in Year 1.

(n) **Withholding tax allowance (WTA).** The withholding tax allowance (WTA), paid in Year 1, covers the employee's Federal income tax withholding liability on covered taxable reimbursements received in Year 1. The amount is computed by applying the withholding gross-up formula prescribed in § 302-11.7(d) (using the Federal withholding tax rate) each time that a Federal withholding obligation is incurred on covered moving expense reimbursements received in Year 1. Grossing-up the Federal withholding amount protects the employee from using part of his/her moving expense reimbursement to pay Federal withholding taxes. (See § 302-11.7.)

(o) **State gross-up.** Payment for the estimated additional State income tax liability

prescribed in § 302-11.8(f)(3) to be used in determining the amount to be included in the RIT allowance to compensate an employee for the additional State income tax incurred in States that do not allow the deduction of moving expenses.

§ 302-11.6 Procedures in general.

(a) This regulation sets forth procedures for the computation and payment of the RIT allowance and defines agency and employee responsibilities. This part does not require changes to those internal fiscal procedures established by the individual agencies pursuant to IRS regulations, or the Treasury Financial Manual, provided that the intent of the statute authorizing the RIT allowance and this part are not disturbed.

(b) The total amount reimbursed or paid to the employee, or on his/her behalf, for travel, transportation, and other relocation expenses and allowances is includable in the employee's gross income pursuant to the IRC and certain State or local government tax codes. Some moving expenses for which reimbursements are received may be deducted from income by the employee as moving expense deductions, subject to certain limitations prescribed by the IRS or pertinent State or local tax authorities. Reimbursements for nondeductible moving expenses are subject to income tax. (See IRS Publication 521 entitled "Moving Expenses" and the appropriate State and local tax codes for detailed information.)

(c) Usually, if the employee is reimbursed for nondeductible moving expenses, the amount of these reimbursements is subject to withholding of Federal income tax in accordance with IRS regulations at the time

will offset deductions for the Federal income tax withholding on moving expense reimbursements, and on the WTA itself, from the employee's moving expense reimbursements or from salary.

(e) The total amount of the RIT allowance can be computed after the end of Year 1 as soon as the earned income level, income tax filing status, total covered taxable reimbursements, and the applicable marginal tax rates can be determined. Employee claims for the RIT allowance should be submitted in accordance with this part and the employing agency's procedures.

(f) Procedures are prescribed in §§ 302-11.7 and 302-11.8 for computation and payment of the WTA and the RIT allowance. These procedures are built on existing fiscal procedures and IRS regulations regarding reporting of employee income from reimbursements and withholding of taxes on supplemental wages.

§ 302-11.7 Procedures for determining the WTA in Year 1.

(a) General rules. The WTA is designed to cover only the employee's withholding tax obligation for Federal income taxes on income resulting from covered moving expense reimbursements. (See definition in § 302-11.5(c).) Other withholding tax obligations, if any, such as for social security taxes or for State and/or local income taxes on income resulting from moving expense reimbursements shall not be included in the calculation of the WTA payment. The amount of the WTA is equal to the Federal income tax withholding obligation incurred by the employee on covered moving expense reimbursements (which are not offset by deductible moving expenses) and on the WTA itself. Each time covered moving ex-

ments for nondeductible moving expenses is subject to withholding of Federal income taxes. (See IRS Publication 521, "Moving Expenses.") There are some moving expenses which may be reimbursed but are not covered taxable reimbursements (see definition in § 302-11.5(d)) for purposes of the WTA and RIT allowance calculations, such as non-temporary storage of household goods. (See exclusions in § 302-11.4.) Therefore, the actual amount of the covered taxable reimbursements may be different than the amount of nondeductible moving expenses subject to Federal income tax withholding. The difference in these amounts should not be substantial; therefore, the amount of nondeductible moving expenses subject to Federal income tax withholding, as determined by the agency pursuant to IRS regulations, may be used in calculating the WTA. (Note that the RIT calculation procedure in § 302-11.8 requires determination of covered taxable reimbursements.)

(c) Determination of Federal withholding tax rate (FWTR). Moving expense reimbursements constitute supplemental wages for Federal income tax purposes. Therefore, an agency must withhold at the withholding rate applicable to supplemental wages. Currently, the supplemental wages withholding rate is 28 percent. The supplemental wages withholding rate should be used in calculating the WTA unless under an agency's withholding procedures a different withholding rate is used pursuant to IRS tax regulations. In such cases, the applicable withholding rate shall be substituted for the supplemental wages withholding rate in the calculation shown in paragraph (d) of this section.

Where:

Y = WTA

X = FWTR (generally, 28 percent)

N = nondeductible moving expenses/covered taxable reimbursements

Example:

If:

X = 28 percent

N = \$20,000

Then:

$$Y = \frac{.28}{1-.28} (\$20,000)$$

Y = .3889 (\$20,000)

Y = \$7778.00

(e) WTA payment and employee agreement for repayment. (1) The WTA may be calculated several times within Year 1 if reimbursements for moving expenses are made on more than one travel voucher. Each time an employee is reimbursed for moving expenses which are subject to Federal tax withholding in accordance with the IRS regulations, the WTA will be calculated and paid unless the employee fails to comply with the requirements in paragraph (e)(2) of this section.

(2) The employee shall be required to agree in writing to repay any excess amount paid

agency's payment to the employee. WTA will be considered an excess payment if the RIT allowance claim is not submitted in a timely manner to settle the RIT allowance account.

(f) Determination of employee's withholding tax on WTA. Since the amount of the WTA is considered income to the employee, it is subject to the same tax withholding requirements as all other moving expense reimbursements. (See Treasury Financial Manual, Section 4080, Moving Expense Reimbursements, for withholding requirements.)

(g) End of year reporting. At the end of the year, agencies generally are required to issue IRS Form(s) W-2 for each employee showing total gross compensation (including moving expense reimbursements) and the applicable amount of Federal taxes withheld. For tax reporting purposes, the WTA is to be treated as a moving expense reimbursement. The total amount of the employee's WTA's paid during the year as well as the amount of moving expense reimbursements should be included as income on the employee's Form W-2. The Federal tax withholding amount applicable to the moving expense reimbursements and the WTA should also be included on the employee's Form W-2. The amount of the WTA's also will be furnished to the employee along with the amount of moving expense reimbursements on IRS Form 4782 or another itemized listing provided for the

(a) **Summary/overview of procedures.** The RIT allowance will be calculated and claimed in Year 2. This can be accomplished as soon as the employee can determine earned income (as defined herein), income tax filing status, covered taxable reimbursements for Year 1, and the applicable marginal tax rates. The RIT allowance is then calculated using the gross-up formula under procedures prescribed herein. Since the RIT allowance is considered income, appropriate withholding taxes on the RIT allowance are deducted and the balance constitutes the net payment to the employee. Rules, procedures, and the prescribed tax tables for these calculations are provided in paragraphs (b) through (g) of this section, and in appendices A, B, and C of this part.

(b) **General rules and assumptions.** (1) The procedures prescribed herein for calculations and payment of the RIT allowance are based on certain assumptions jointly developed by GSA and IRS, and tax tables developed by IRS. This approach avoids a potentially controversial and administratively burdensome procedure requiring the employee to furnish extensive documentation, such as certified copies of actual tax returns and reconstructed returns, in support of a claim for a RIT allowance payment. Specifically, the following assumptions have been made:

(i) The employee will claim allowable moving expense deductions for the same tax year in which the corresponding moving expense reimbursements are included in income;

benefit of allowable moving expense deductions to offset income either by itemizing their moving expense deductions or through the increased standard deductions.

(iii) Prior to the Tax Reform Act of 1986, it was assumed that the employee's (and spouse's, if a joint return is filed) earned income, filing status, and CMTR determined for Year 1 (and used in determining the RIT allowance in Year 2) would remain the same or would not be substantially different in the second and subsequent tax years. However, the Tax Reform Act of 1986 substantially changed the Federal tax structure making it necessary to compute a separate CMTR for Year 1 and for Year 2. (See paragraph (e) of this section.) The formula for calculating the RIT allowance to be paid in 1988 and subsequent years is shown in paragraph (f) of this section. It is assumed that within the accuracy of the calculation, the State and local tax rates for Year 1 and Year 2 will remain the same or will not be substantially different. Therefore, the State and local tax rates for Year 1 shall be used in calculating the CMTR for Year 2.

(2) The prescribed procedures, which yield an estimate of an employee's additional tax liability due to moving expense reimbursements, are to be used uniformly. They are not to be adjusted to accommodate an employee's unique circumstance which may differ from the assumed circumstances stated in paragraph (b)(1) of this section.

(3) An adjustment of the RIT allowance paid in Year 2 for the covered taxable reimbursements received in Year 1 is required if the tax information certified to on the RIT allowance claim is different than that shown